

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 CIEP-02 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 AGR-10 L-03 SS-15 NSC-05

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R 311721Z OCT 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 9869

INFO ALL EC CAPITALS 1262

UNCLAS EC BRUSSELS 9837

E.O. 11652: N/A

TAGS: EAGR, EEC, ETRD

SUBJECT: COMMISSION TELLS FRANCE TO SUSPEND WINE TAX

REFS: A. EC BRUSSELS 8043, B. EC BRUSSELS 8208, C. EC BRUSSELS 8706,  
D. EC BRUSSELS 8292, E. EC BRUSSELS 8441, F. EC BRUSSELS 8464,  
G. EC A-401, H. EC BRUSSELS 8801, I. EC BRUSSELS 9242

THE EUROPEAN COMMISSION SUBMITTED A REASONED OPINION (AVIS MOTIVE) TO THE FRENCH GOVERNMENT WEDNESDAY, OCT 29, REQUESTING FRANCE TO REMOVE ITS BORDER TAX ON ITALIAN WINE IMPORTS WITHIN SEVEN WORKING DAYS. IF FRANCE DOES NOT REMOVE THE TAX BY THEN, THE COMMISSION MAY, AND IS EXPECTED TO, TAKE THE MATTER TO THE EUROPEAN COURT OF JUSTICE ON THE BASIS OF ARTICLE 169 OF THE ROME TREATY. BRUSSELS' OBSERVERS FEEL THAT FRANCE WILL MOST LIKELY CONTINUE ITS TAX UNTIL AT LEAST THE END OF NOV, AND LET THE JURIDICAL MACHINERY MOVE ON SLOWLY IN THE MEANTIME.

THE FOLLOWING IS A RECAPITULATION OF EVENTS TO DATE:

-- SEPT 8-10. EC COUNCIL OF AGRICULTURAL MINISTERS, MEETING IN SPECIAL SESSION, FAIL TO REACH AGREEMENT ON SHORT AND LONG TERM MEASURES TO DEAL WITH EC WINE SURPLUS. (REF A)

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-- SEPT 11. FRANCE IMPOSES TAX OF FF 1.13 DEGREE/HL ON ITALIAN WINE IMPORTS ON THE BASIS OF ARTICLE 31:2 OF THE BASIC WINE REGULATION (COUNCIL REGULATION 816/70).

--SEPT 15. COMMISSION NOTIFIES FRANCE BY LETTER THAT IT CONSIDERS THE FRENCH TAX TO BE INCONSISTENT WITH THE ROME TREATY. (REF B)

-- SEPT 18-20. EC AGRICULTURAL MINISTERS MEET INFORMALLY IN VENICE AND DISCUSS WINE. (REF C)

-- SEPT 22. EC EXPORT SUBSIDIES ON WINE TO CERTAIN THIRD COUNTRIES ARE INCREASED. (REF D,E,F.)

--SEPT 29. COMMISSION SUSPENDS MONETARY COMPENSATORY AMOUNTS APPLIED BY GERMANY ON FRENCH AND ITALIAN TABLE WINES. (REF G)

--SEPT 29-30. EC COUNCIL OF AGRICULTURAL MINISTERS AGAIN STALEMATES ON WINE ISSUE. (REF H)

--OCT 6. FRANCE RESPONDS TO THE COMMISSION BY LETTER JUSTIFYING ITS TAX UNDER ARTICLE 31:2 OF 816/70. FRANCE REFERS TO FAILURE OF THE COMMUNITY TO COME UP WITH ANY MAJOR REFORM OF THE WINE CAP PER COUNCIL RESOLUTIONS OF LAST APRIL AND JULY AND HIGHLIGHTS THE INADEQUACY OF RECENT COMMISSION MOVES ON EXPORT SUBSIDIES AND MCA'S TO DEAL EFFECTIVELY WITH THE SHORT-TERM CRISIS.

-- OCT 13. COMMISSION LETTER GIVES FRANCE TEN DAYS TO PRESENT ITS OBSERVATIONS. FOR THE FIRST TIME COMMISSION INVOKES ARTICLE 169 PROCEDURE OF THE ROME TREATY.

-- OCT 13-14. CONTINUED IMPASSE ON REFORM OF THE WINE CAP IN MEETING OF EC AGRICULTURAL MINISTERS. (REF I)

-- OCT 24. FRANCE SUBMITS ITS OBSERVATIONS CONTINUING TO DEFEND ITS ACTIONS ON THE BASIS OF ARTICLE 31:2 OF 816/70.

-- OCT 29. EUROPEAN COMMISSION SUBMITS A REASONED OPINION TO FRANCE TO REMOVE ITS BORDER TAX WITHIN SEVEN DAYS. GREENWALD

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** WINES, BORDER TAXES, IMPORT CONTROLS  
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**Reference:** 75 EC BRUSSELS 8043, 75 EC BRUSSELS 8208, 75 EC BRUSSELS 8706  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** buchant0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 27 OCT 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <27 OCT 2003 by MaustMC>; APPROVED <04 FEB 2004 by buchant0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** COMMISSION TELLS FRANCE TO SUSPEND WINE TAX  
**TAGS:** EAGR, ETRD, FR, EEC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006